\*\*ID\_\_AFARS\_5117.90042\_\_ID\*\*

### 5117.9004-2 Solicitation.

(a) The contracting officer, in coordination with the installation DPW, must assure that the specifications and Unit Price Book have undergone technical review and validation and are tailored to meet the projected requirements of the installation and local economic conditions. This is a critical step in implementing JOC and is required to minimize the need for non-pre-priced items during the processing of task orders. The projects proposed to be ordered under JOC must be identified in internal documentation, and a representative description must be included in the solicitation.

(b) To encourage competition and lower coefficients, the JOC solicitation must include realistic and reasonable annual minimum and maximum dollar amounts for projected requirements. Generally, the higher the minimum is, the lower the coefficient proposed will be. The annual maximum is connected with the bonding requirement (see the definition at 5117.9001).

(c) The guaranteed minimum for the basic contract and each option period is required. A new minimum guarantee must be obligated upon exercise of an option. The minimum guarantee need not be the same amount that was used to secure the work of the basic contract. However, it must be more than a token amount so that adequate consideration exists.

(d) Because of the complexity of small and small disadvantaged business utilization issues in relation to JOC, a DD Form 2579 is required for proposed JOC solicitations. The Small Business Specialist must send a copy of the DD Form 2579 to the Director, Office of Small Business Programs.

(e) The Government’s unilateral right to withdraw a proposed job or order before or after receipt of contractor’s proposal must be included in the solicitation.

(f) The solicitation must explain the make-up of the Government unit prices and specify what types of costs, as a minimum, must be covered by the coefficient. (See 5117.9001 for definition.) Offerors must specify in their proposal what additional types of costs are included in their coefficients. These additional costs may be incorporated in the contract, if appropriate, and may preclude later disagreements over non-pre-priced tasks. “Pricing” of option periods, to include consideration of any wage adjustments when Economic Price Adjustment is not used (see 5117.9004-2(i)), must be covered by contractor’s coefficient(s) proposed for those periods. Separate coefficients may be used for normal working hours and other than normal working hours.

(g) JOC solicitations and contracts must clearly notify offerors of initial and continuing bonding requirements. The term “bonding” used in this paragraph includes any relevant alternative payment protection as discussed in FAR 28.102-1. Bonding must be sufficient to cover the stated estimated annual maximum contract value. No JOC contract shall cite the total estimated maximum value of the contract (including option periods) as the estimated annual maximum value, although there may be language in the contract allowing ordering beyond that “maximum” but less than the estimated value of the total contract with option periods. The estimated annual maximum value will be a reasonable figure based on historical experience and known workload for the coming year. This approach should avoid the prior difficulties associated with adjusting bonding coverage every time a new task order is awarded. Because contractors can now plan their liability for premiums, and because they get unliquidated/unneeded premiums reimbursed by the bonding agent, payment incrementally through the use of the coefficient becomes both logical and reasonable. Contractors must be clearly notified, in the solicitation and contract, of their responsibility for ensuring sufficient bond coverage during the course of the contract. All costs associated with bonding (specifically including bond premiums) shall be included in the coefficient. If the estimated annual maximum value is exceeded, FAR 28.102-2(a) and (b) apply. Since the bond premium is repaid through the coefficient and the coefficient is paid as an indirect cost under progress payment or other normal payment provisions there will be no separate repayment(s) for bond premiums.

(h) JOC solicitations and contracts must contain provisions for making annual adjustments to the option year(s) prices. This must be done by updating the base year coefficient using criteria and predetermined formulas in an economic price adjustment (EPA) clause. Adjustments to the base year coefficient will be based on the Engineering News Record (ENR) Building Cost Index (BCI) as published by McGraw Hill. The ENR index is a weighted aggregate of changes to construction costs. For computation of the EPA, the BCI for the city closest to the supporting installation will be used. EPA will not be used for JOCs awarded outside the United States; nor shall it be used under National Guard Bureau, and other, JOC contracts employing an annually updated catalog. JOC solicitation and contracts must use annual adjustments or annually updated catalog, but not both. The clause set forth in 5152.237-9000 must be used in JOC contracts in accordance with this paragraph. Use of EPA under regional or multi-site JOCs with multiple coefficients is at the discretion of the contracting officer on a case-by-case basis but should be declared in the affected solicitations. Any deviation from the required use of EPA (and this EPA clause) for pricing option years, or the use of the specified index (BCI), must require prior approval from DAIM-FDF and SAAL-PP.

(i) Job order solicitations must be accorded the same type of planning and management review as commercial activities procurement actions.

*[AFARS Revision #21, dated May 22, 2007]*